



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

Jane Mattoon, Treasurer  
Keep Our Majority PAC  
P.O. Box 20209  
Alexandria, VA 22320

JAN 18 2003

Identification Number: C00307405

Reference: 12 Day Pre-General Report (10/1/02-10/16/02)

Dear Ms. Mattoon:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule H4 of your report appears to disclose disbursements associated with fundraising activities/events that have been incorrectly categorized as Administrative/Voter Drive expenses. Payments made for expenses relating to committee fundraising must adhere to the following reporting requirements:

- 1.) A committee which allocates the costs of fundraising events between its federal and non-federal accounts is required to allocate the costs directly associated with a fundraising program or event according to the "funds-received" method. The fundraising ratio shall be estimated prior to each fundraising event based on the committee's reasonable prediction of its federal and nonfederal revenue from that event. The estimated percentage of federal funds received to nonfederal funds received for a fundraising event must be disclosed on a Schedule H2 with a unique identifier code and included with each report disclosing a disbursement for that event or program.
- 2.) Any transfer received from you nonfederal account for the nonfederal account's share of fundraising expenses must be disclosed on a Schedule H3 identifying the date of receipt, amount, fundraising event and unique identifier code.

- 3.) All disbursements for fundraising expenses which have been allocated between the federal and nonfederal accounts must be categorized as fundraising disbursements on Schedule H4. The date of disbursement, purpose of disbursement, unique identifier code, event year-to-date total and both the federal and nonfederal shares of the disbursement must also be provided.
- 4.) The committee has up to 60 days after the ending date of the event to adjust the estimated allocation ratio based on the actual funds received.
  - a.) The committee must report the adjusted ratio for the fundraising event on Schedule H2 and date of the fundraising event.
  - b.) If the adjusted ratio increases the federal portion of the fundraising ratio the federal account must make a transfer to the nonfederal account for any nonfederal over-payment of fundraising expenses on Schedule H4.

Please amend your report to properly disclose the payments made for "fundraising consulting" and "PAC Administration/Fundraising" on Schedule H4.

-Schedule H4 discloses payments made to credit card companies for shared federal and non-federal activity. Please be advised that these payments must identify as memo entries, the original vendors from which you have purchased an item or service regardless of the amount. Please amend your report by providing the name and mailing address of the original vendor, along with the date, amount and purpose of each expenditure. 11 CFR §104.10.

-Your EVENT YEAR-TO-DATE calculations for Administrative/Voter Drive are incorrect. EVENT YEAR-TO-DATE totals for administrative and voter drive costs are derived by aggregating all disbursements during the calendar year for the whole Administrative/Voter Drive category. EVENT YEAR-TO-DATE totals for fundraising, direct candidate support, and exempt activities are derived by aggregating all disbursements during the calendar year within a specific event. These should be calculated by adding the latest disbursement for a category or event to the previous EVENT YEAR-TO-DATE total for that category or event. This running EVENT YEAR-TO-DATE total should be disclosed after each

disbursement is listed. Please amend your report by providing the correct EVENT YEAR-TO-DATE totals.

A response or amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,



Brandy Phillips  
Campaign Finance Analyst  
Reports Analysis Division

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